United Nations A/53/153 – E/1998/75

General Assembly
Economic and Social Council

Distr.: General
23 June 1998

Original: English

General Assembly
Fifty-third session
Item 20 (d) of the preliminary list*

Strengthening of the coordination of humanitarian and disaster relief assistance of the United Nations including special economic assistance to the Palestinian people

Economic and Social Council
Substantive session of 1998
Item 9 of the provisional agenda**

Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations

Assistance to the Palestinian people

Report of the Secretary-General

Contents

		Paragraphs	Page
I.	Introduction	1–3	2
II.	Background	4–8	2
III.	Work of local and international coordination mechanisms	9–13	3
IV.	Living conditions in the West Bank and Gaza Strip	14–19	4
V.	The private sector	20–21	5
VI.	Assistance to the Palestinian people: ongoing programmes, unmet needs and proposals for additional assistance	22–80	6
Annex.	United Nations entities active in the occupied territories		18

* A/53/50.
** E/1998/100.

98-19003 (E) 160798

I. Introduction

1. The General Assembly, in its resolution 52/170 of 16 December 1997 on assistance to the Palestinian people, *inter alia*, stressed the importance of the work done by the United Nations Special Coordinator in the Occupied Territories and of the steps taken under the auspices of the Secretary-General to ensure the achievement of a coordinated mechanism for United Nations activities throughout the occupied territories; urged Member States, international financial institutions of the United Nations system, intergovernmental and non-governmental organizations and regional and interregional organizations to extend, as rapidly and as generously as possible, economic and social assistance to the Palestinian people in order to assist in the development of the West Bank and Gaza, and to do so in close cooperation with the Palestine Liberation Organization and through official Palestinian institutions; called upon the international donor community to expedite the delivery of pledged assistance to the Palestinian people to meet their urgent needs; and requested the Secretary-General to submit a report to the General Assembly at its fifty-third session, through the Economic and Social Council, on the implementation of the resolution, containing (a) an assessment of the assistance actually received by the Palestinian people and (b) an assessment of the needs still unmet and specific proposals for responding effectively to them.

2. Mr. Chinmaya R. Gharekhan, the Representative of the Secretary-General to the Security Council from 1993 to 1996 and the Representative of the Secretary-General to the multilateral peace talks on the Middle East since January 1993, was appointed United Nations Special Coordinator in the Occupied Territories in February 1997. In his previous report on assistance to the Palestinian people (A/52/159-E/1997/69), the Secretary-General provided an overview of the period from June 1996 until May 1997. The present report covers the period from June 1997 through May 1998. In addition, in response to Economic and Social Council resolution 1997/67 of 25 July 1997, paragraph 8, in which, *inter alia*, the Council called upon the Secretary-General to continue to include, in the report of the United Nations Special Coordinator in the Occupied Territories, an update on the living conditions of the Palestinian people, in collaboration with relevant organizations and agencies of the United Nations, section IV below on living conditions in the West Bank and Gaza Strip has been included.

3. Throughout the period under review, the Special Coordinator focused his efforts on the following:

(a) Coordinating donor-funded projects in order to alleviate unemployment and related socio-economic hardship and to encourage employment generation through the implementation of needed development projects;

(b) Working with the partners in the development effort to provide budgetary support to the Palestinian Authority and to address the budget deficit;

(c) Strengthening institution-building programmes and targeted technical assistance so that greater progress could be made towards achieving sustainable socio-economic development;

(d) Encouraging greater private sector involvement in the development effort to stimulate growth, economic development and employment generation (see sect. V below);

(e) Providing logistic and other assistance to the Palestinian Authority in the preparation of the Palestinian Development Plan, 1998–2000;

(f) Expediting donor disbursements so that the Palestinian Development Plan, 1998–2000 prepared by the Palestinian Authority may be implemented.

II. Background

4. On 13 September 1993, the Government of Israel and the Palestine Liberation Organization signed the Declaration of Principles on Interim Self-Government Arrangements at the White House in Washington, D.C. (the "Oslo Accords") (see A/48/486-S/26568). Recognizing that the socio-economic advancement of the Palestinians would be a necessary condition for the continued success of the peace process, the Secretary-General formed a high-level task force on the social and economic development of the Gaza Strip and Jericho, which identified the ways in which the United Nations could expand its programmes of assistance in the West Bank and Gaza Strip. The task force, which completed its work on 23 September 1993, highlighted the need to implement projects that would quickly lead to a visible improvement in the daily lives of Palestinians and stressed the importance of continuing to support ongoing programmes that contributed to Palestinian socio-economic well-being.

5. On 1 October 1993, over 40 donor countries and institutions, including the United Nations, gathered at the Conference to Support Middle East Peace, held in Washington, D.C. The Conference, which was hosted by the United States of America, affirmed the urgent need to improve living conditions and make rapid progress towards sustainable socio-economic development in the West Bank

and Gaza Strip. Donors pledged approximately $2.4 billion, which would be disbursed over the five years of the transitional period. The General Assembly, in its resolution 48/213 of 21 December 1993, called upon relevant organizations and agencies of the United Nations system to intensify their assistance in response to the urgent needs of the Palestinian people and to improve coordination through an appropriate mechanism under the auspices of the Secretary-General.

6. In his report to the Fifth Committee, dated 29 March 1994 (A/C.5/48/71, para. 6), the Secretary-General noted that, in view of the mandates of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF) and the nature of their respective operations, it would be inappropriate to designate one as the "lead agency" in the occupied territories with the responsibilities of implementation of resolution 48/213. Given the complexity and sensitivity of the situation in the region and the multiplicity of factors outside the United Nations system that would be involved during the transitional phase, it would be necessary to establish a specific mechanism to ensure effective coordination and intensification of international assistance to the Palestinians in the occupied territories to meet their immediate and long-term needs. The Secretary-General announced his intention to appoint a Special Coordinator with responsibilities for, *inter alia*, providing overall guidance to and facilitating coordination among the respective United Nations programmes and agencies that are operating in the territories, so as to ensure an integrated and unified approach towards economic and social development.

7. Accordingly, in 1994, the Secretary-General appointed a Special Coordinator, Mr. Terje Rød-Larsen (Norway), as the focal point for all United Nations economic, social and other assistance in the occupied territories. The Special Coordinator provides overall guidance to United Nations programmes and agencies in the West Bank and Gaza Strip, both those with representation in the field and those operating from abroad. The Special Coordinator facilitates coordination within the United Nations family, and works closely with the World Bank, in assisting the Palestinian Authority in reaching an integrated and unified approach to the development effort launched by the Washington Conference. The Special Coordinator also represents the United Nations in the Ad Hoc Liaison Committee and related bodies established to follow up on the Washington Conference and serves as the focal point in dealing with the donor community. He maintains close relations with relevant regional organizations and financial institutions, as well as with non-governmental organizations.

8. Since its inception in 1994, the Office of the United Nations Special Coordinator in the Occupied Territories has been among those parties that have been instrumental in establishing the donor coordination mechanisms described below that have brought together the Palestinian Authority, the United Nations, the World Bank and the donor community. The unique position of the United Nations within these coordination mechanisms has enabled the Organization to play an influential role in the development process in the territories. The United Nations presence in the West Bank and Gaza Strip has increased from three organizations in 1993 to 13 in 1998. An additional 16 organizations of the United Nations system are providing technical assistance and expertise to the Palestinian Authority.

III. Work of local and international coordination mechanisms

9. On 29 and 30 November 1994, the main donor-led body overseeing the assistance effort, the Ad Hoc Liaison Committee, met in Brussels. At the suggestion of the United Nations representative, the Committee decided to devolve certain aspects of the donor coordination process to the level of representatives in the West Bank and Gaza Strip. For that purpose, the Committee established a Local Aid Coordination Committee, to be composed of the Palestinian Authority and all donors to the Palestinians in the West Bank and Gaza Strip, including Israel. The co-chairs of the Local Aid Coordination Committee are Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, the Office of the United Nations Special Coordinator in the Occupied Territories and the World Bank. The latter two also act as joint secretariat to the Local Aid Coordination Committee. Meetings of the Local Aid Coordination Committee provide a forum for donors to report on their activities and the Palestinian Authority to provide updates on the budget deficit.

10. In December 1994, the Local Aid Coordination Committee established 12 sectoral subcommittees, known as sector working groups, to focus donor assistance to the Palestinian people and to facilitate communication and coordination between the Palestinian Authority and donor countries. Each sector working group is composed of the gavel holder, normally a Palestinian ministry; the shepherd, a donor interested in that particular sector; and the United Nations or the World Bank, which acts as the secretariat. The Special Coordinator delegated secretariat responsibilities to United Nations agencies with an established presence on the

ground, namely, UNDP, UNICEF, UNRWA, the International Labour Organization (ILO), the World Health Organization (WHO) and, recently, the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Office of the United Nations Special Coordinator also assumed secretariat responsibilities. As part of the effort to increase the efficiency of the sector working groups, a series of evaluative workshops took place in early 1997, leading to the creation of more focused sub-groups. The Palestinian Authority was closely involved with this process. The changes, including the abolition of the sector working group on transport and communications, creating sub-groups for infrastructure and for institution-building, and strengthening the role of the gavel holders, were approved by the Ad Hoc Liaison Committee in June 1997.

11. In April 1995, the Ad Hoc Liaison Committee established the Joint Liaison Committee, which provides a forum in which economic policy and practical matters related to donor assistance are discussed with the Palestinian Authority. The Joint Liaison Committee is composed of the Palestinian Authority as gavel holder; Norway, in its capacity as Chair of the Ad Hoc Liaison Committee, as shepherd; the United Nations and the World Bank as joint secretariat; the United States of America and the European Union. Japan was also asked to take part in the meetings. The Joint Liaison Committee discusses bilateral issues relating to donor assistance with the participation of representatives of the Government of Israel, who are invited to attend all meetings. The Joint Liaison Committee first met on 15 May 1995 and meets approximately five times a year.

12. As part of his efforts to improve United Nations coordination, the Special Coordinator convened the fourth United Nations inter-agency meeting in Gaza on 2 and 3 July 1997. Representatives of 23 agencies attended the meeting in order to forge a common development strategy in response to needs and priorities identified by the Palestinian Authority, and in coordination with the Ministry for Planning and International Cooperation and relevant ministries of the Palestinian Authority. The inter-agency meeting allowed for two days of deliberations, exchanges of views and presentations by ministers of the Palestinian Authority to provide participants with a sense of the broader political and economic framework in which the development effort is taking place in the West Bank and Gaza Strip. As was the case in previous years, the meeting provided a forum for finalizing the document entitled "United Nations programme of cooperation for the West Bank and Gaza Strip", which outlines United Nations strategies, priorities and plans for the two-year period 1998–1999.

13. The Special Coordinator also led the United Nations delegation, comprising representatives of UNRWA, UNDP, UNICEF, ILO and UNESCO, to the fifth meeting of the Consultative Group for the West Bank and Gaza Strip, convened by the World Bank in Paris on 14 and 15 December 1997. The international donor community pledged US$ 750 million in grants, loans and equity towards development activities in the West Bank and Gaza Strip for 1998 and a further $150 million in political risk guarantees for private investment. The Consultative Group meeting was also the occasion for the Palestinian Authority to present its first three-year rolling plan, the Palestinian Development Plan, 1998–2000, to the donor community. The Plan represents the Palestinian Authority's commitment to developing national capacity in medium-term development planning and in the implementation of development projects. The Plan also reflects the deep commitment of the United Nations family to the socio-economic development of the West Bank and Gaza Strip. The United Nations is involved as donor or implementing partner in 102 out of a total number of 658 projects in the Plan project catalogue, with a combined value of approximately $224 million.

IV. Living conditions in the West Bank and Gaza Strip

14. The pattern of economic growth and development in the West Bank and Gaza Strip has been largely conditioned by the Israeli economy. The results of the integration of the West Bank and Gaza Strip into the Israeli economy have included significant labour flows from the former to the latter, a narrow range of Palestinian exports, and a large flow of Israeli exports to the West Bank and Gaza Strip. Until the early 1990s, average Palestinian incomes and living levels grew significantly, but market forces and Israeli policies created distortions in the West Bank and Gaza Strip labour, land and capital markets, thus reducing the viability of Palestinian agriculture, manufacturing and services. The one-sided relationship also left the Palestinian economy vulnerable to external shocks, such as civil unrest, curfews, Israeli recessions and closures.

15. The Palestinian economy has been severely affected by Israeli closures. Since 1992, the gross national product (GNP) of the West Bank and Gaza Strip, the broadest measure of national income, has declined by approximately 20 per cent. Falling GNP and population growth have reduced per capita income by about one third to an estimated US$ 1,600. The decline in per capita income was very pronounced in 1996. Per capita GNP fell by an estimated 8.6 per cent,

while per capita gross domestic product (GDP) dropped by 7.4 per cent, reflecting the effects of the extended closures, which disrupted about 30 per cent of normal working days during the year. However, in the second half of 1996 economic conditions began to improve, until the August–September 1997 closures.

16. In addition to a decline in the aggregate income of the West Bank and Gaza Strip, the employment situation and the standard of living have also deteriorated. Between 1992 and 1996, the unemployment rate has grown from approximately 10 to 30 per cent, with significantly higher rates during periods of closure. The decline in the purchasing power of wages has been a main feature of economic life in the past three years. Wages for Palestinian workers fell during the period 1995–1997, while the average price level has risen 6 to 12 per cent each year since 1992. The combined effect of a decline in wages and an increase in the price level has adversely affected Palestinian household living levels. Palestinian households have responded by reducing their average monthly expenditures by about 16 per cent over the past two years. In addition, investment levels have dropped dramatically in the same period, mainly due to the uncertain political situation and Israeli measures undermining investor confidence.

17. In 1997, there was a recovery in labour and commodity flows from the West Bank and Gaza Strip to Israel. Labour flows grew more than anticipated in the initial estimates of the Palestinian Authority Ministry of Finance and the International Monetary Fund (IMF). Licensed monthly average labour flows from the West Bank and Gaza Strip to Israel were about 15 per cent higher in 1997 than in 1996, at approximately 38,000 workers. Commercial truck exports from the West Bank and Gaza Strip were, on a monthly basis, about 1.5 per cent higher than in 1996. This indicates that the Palestinian economy has the capacity for recovery and growth in the absence of severe and extended closures. The Government of Israel also eased restrictions on the movement of goods and persons. However, despite improvements in labour and commodity flows, as well as marginal reductions in unemployment and underemployment, per capita income levels registered further declines in 1997. Continuing the trend witnessed since 1992, population growth exceeded income growth, resulting in falling average incomes.

18. In 1995 and 1996, the Palestinian Authority was compelled to divert funds from public investment to public consumption to counter closure-related economic and social emergencies. The relative stabilization in the movement of goods and persons during 1997 led to a corresponding stabilization in tax revenues and improved public finances; the recurrent budget of the Palestinian Authority for 1998 envisages no deficit, unlike in 1996 and 1997. However, donor disbursements in 1997, at $432 million, were 21.3 per cent below their 1996 level and about 15 per cent below average annual disbursements for the period 1994–1996.

19. The modest economic improvements in 1997, taken together with the expected expansion in Palestinian public investment in the coming year, promise better results in 1998. However, significant economic and social progress depends principally upon meaningful advancement in the Israeli-Palestinian track of the peace process. Such political progress must entail greater Palestinian access to vital resources, such as land and water, and to external markets for inputs and exports. This would create a more stable environment, enhance private investment and generate economic growth and employment.

V. The private sector

20. In the long term, economic growth and development will be generated by the private sector. Excluding agriculture, there are over 50,000 individual private establishments in the West Bank and Gaza Strip, principally small, sole proprietorships with average capitalization levels of approximately $10,000. Commerce and services make up 75 per cent of these businesses, with capitalization levels of approximately $5,300 per business, while manufacturing accounts for up to 20 per cent. with average capitalization levels of approximately $27,000. The relatively large number of commerce and service businesses account for about 50 per cent of the value of privately produced output, with manufacturing accounting for about 20 per cent of such output. Average annual output per worker in the private sector is about $7,000 and evidence shows that output per worker increases with greater amounts of capital invested per worker. However, greater amounts of invested capital do not appear to produce proportional increases in worker output, indicating that better management and marketing techniques may be needed to allow Palestinian businesses to take full advantage of additional capital investment.

21. In addition, while the average rate of return on invested capital is approximately 58 per cent, the return is much below this in the manufacturing sector and considerably above this in commerce and services establishments. In general, smaller firms have higher rates of return, perhaps owing to their ability to more easily adapt production and sales to political turbulence, such as closures, and to other obstacles in the economic environment. This would indicate that the development of the manufacturing sector, in particular, will require more stable political conditions for investment

planning. A survey of private sector specialists in the West Bank and Gaza Strip, undertaken by the Office of the United Nations Special Coordinator in the Occupied Territories, found near unanimity in the view that closures and the unclear business operating environment are the main problems facing private businesses. The majority also indicated that better management and planning techniques, and better market access, were the most important things needed to develop private businesses. However, most were generally positive about business prospects in the West Bank and Gaza Strip, given the development of the proper enabling environment, political stability and freedom of movement of persons and goods

VI. Assistance to the Palestinian people: ongoing programmes, unmet needs and proposals for additional assistance

22. After consultations with the programmes and agencies of the United Nations system active in the area (a list of which appears in the annex to the present report), the Special Coordinator prepared the following update on assistance received by the Palestinian people in the occupied territories during the reporting period, June 1997 to May 1998, from United Nations agencies and programmes, together with an analysis of needs still unmet and specific proposals for responding effectively to them.

Department of Economic and Social Affairs of the United Nations Secretariat

23. The Department of Economic and Social Affairs has been involved in the West Bank and Gaza Strip since 1995 when five project documents were formulated, comprising a comprehensive package of assistance to the Palestinian Authority in the area of public finance and business development. In February 1997, the project to strengthen audit capability received funding from UNDP as a component of a three-year programme on governance and public administration and was implemented. In December 1997, another project on aid management, coordination and accountability was included in the Palestinian Development Plan, 1998–2000.

Economic and Social Commission for Western Asia

24. The Economic and Social Commission for Western Asia (ESCWA) has focused its activities on supporting the economic and social sectors in the West Bank and Gaza Strip, as well as monitoring their development through the provision of advisory services and technical assistance and the preparation of reports and studies. In December 1997, ESCWA convened a meeting at Bir Zeit University to assess the role of non-governmental organizations in the West Bank and Gaza Strip in the fields of health, agriculture and small business enterprises and to identify new areas of cooperation between non-governmental organizations and the Palestinian Authority. The Palestinian Authority was also invited to participate in two ESCWA expert group meetings held in Kuwait and Beirut in late 1997 on the implications of the World Trade Organization Agreement, and the institutional aspects of privatization, for ESCWA member countries. In addition, an expert group meeting on the impact of the peace process was convened in June 1997 to review Arab-Israeli industrial relations, and a subsequent study analysed the changes that have taken place in the trade, financial and industrial sectors of selected ESCWA countries. ESCWA has also secured funds for a project to establish a database on Palestinian refugees in the Syrian Arab Republic and Lebanon and is cooperating with the Palestinian Central Bureau of Statistics (PCBS) in initiating and implementing the project. Other advisory services included assistance to the PCBS for a workshop on the demographic and economic conditions of the Palestinian community in Lebanon; drafting a project document on a comprehensive statistical plan for the Palestinian communities in Lebanon and the Syrian Arab Republic; and a paper on the emerging issues relating to international trade centres and the implications for the Palestinian economy, in cooperation with the United Nations Conference on Trade and Development (UNCTAD), UNDP and the Palestinian Authority.

Food and Agriculture Organization of the United Nations

25. The Food and Agriculture Organization of the United Nations (FAO) continued its assistance to the Ministry of Agriculture in the field of agricultural policy analysis and planning by means of a technical assistance project funded through UNDP. Funds were provided for the training of 10 Gaza fishermen in swordfish-catching techniques, organized in Cyprus in collaboration with the non-governmental

organization CARE International and the Department of Fisheries of Cyprus. At the request of the Ministry of Agriculture and UNDP, FAO organized a seminar on food security programming and a two-week training workshop on food security policy analysis in February 1998. A FAO/World Bank cooperative programme mission visited the West Bank and assisted the Ministry of Agriculture in preparing the agricultural infrastructure component of the agricultural sector rehabilitation project. The mission focused on increasing agricultural productivity through terracing and the construction of cisterns, and developing market access roads to increase the value of agricultural output.

International Atomic Energy Agency

26. At its thirty-eighth General Conference, the International Atomic Energy Agency (IAEA) decided to identify potential technical assistance projects that could be implemented in the West Bank and Gaza Strip through appropriate international organizations. Pursuant to that decision, the IAEA Board of Governors approved two projects which are being implemented though the International Centre for Theoretical Physics (ICTP), in Trieste, Italy. The project on manpower development aims to upgrade and strengthen technical skills and capabilities for the application of nuclear science and technology in various development sectors, while the project on building up science and technology infrastructure plans to set up a laboratory at Bethlehem University to study irradiation effects on optical fibre sensors and to raise the level of training and research in this field. To date, money has been disbursed to train Palestinian technical personnel at the ICTP laboratories, for the procurement of equipment and for arranging expert visits to the West Bank and Gaza Strip.

International Civil Aviation Organization

27. The International Civil Aviation Organization (ICAO) has initiated several missions to Gaza and formulated three project proposals for technical assistance to the Palestinian Civil Aviation Authority, which are still awaiting funding.

International Labour Organization

28. Since 1994, ILO has mobilized over $23 million of donor contributions for technical assistance projects. Technical cooperation has assisted in the establishment of a Department of Labour; the rehabilitation and reintegration of ex-detainees; the establishment of a model production workshop to manufacture low-cost wheelchairs and employ disabled persons; the Palestinian Employment Programme; the establishment of a vocational rehabilitation centre; the training of small contractors; and a number of projects to assist chambers of commerce and trade unions.

29. During the period under review, ILO technical cooperation projects assisted institution-building in labour administration, employment services and occupational safety and health; vocational rehabilitation of disabled persons; and small enterprise development. The institutional framework of employers' and workers' organizations was also improved. Within the framework of the ILO global programme entitled, "More and better jobs for women", an action plan for the West Bank and Gaza Strip was formulated to address women's employment. A study on child labour in the West Bank and Gaza Strip was completed and an ad hoc mission for fact-finding and needs assessment in the field of social security was also undertaken. Disbursements of the ILO technical cooperation programme in 1997 were more than $1.3 million.

30. ILO will continue to approach the issue of employment generation with particular reference to labour market information systems, employment and manpower policies, private sector development and employment services. ILO will also continue to attach great importance to assisting employers' and workers' organizations, with particular emphasis on institution building. Efforts will be intensified to eliminate child labour and to improve employment opportunities and equality for women. In addition, renewed emphasis will be placed on improvements in working conditions, particularly occupational safety and health, and capacity-building with respect to social security.

International Maritime Organization

31. Since March 1996, the International Maritime Organization (IMO) has been implementing a regional project entitled "Development of port State control capabilities in southern and eastern Mediterranean countries", financed by the European Commission and including the Palestinian Authority as one of 11 participants. An IMO needs assessment mission visited Gaza in December 1997 to identify specific areas in which the Palestinian Authority could benefit from IMO technical assistance. The mission's findings revealed limited maritime resources and the absence of a maritime infrastructure, expertise and personnel; a shortage of adequate manpower and training facilities; and the lack of legal, organizational and administrative

departments to deal with maritime issues. The mission recommended that a maritime administration be created to introduce legal and administrative regulations, that an organized structure be set up to deal with, *inter alia*, the imminent establishment of the Gaza port authority, and that training of personnel to run the port should commence as soon as possible. In addition, IMO has submitted three new projects for the Mediterranean region to the European Commission for funding, with the Palestinian Authority as one of the participants.

International Trade Centre

32. In May 1996, the International Trade Centre (ITC) began implementing a technical cooperation project for the export of selected high-value, fresh-cut flowers from the West Bank and Gaza Strip to international markets. ITC has assisted Palestinian growers and exporters in on-farm production and cold-storage techniques; post-harvest handling and quality control; export market development and marketing; trade information services; and the production of the first catalogue of Palestinian fresh-cut flowers. Achievements so far include improved quality standards, increased direct exports and revenues, and the creation and marketing abroad of an identifiable Palestinian product. Among the issues that require addressing is the need to reduce dependence on Israeli crop production inputs and facilitate the work of extension agents and financial assistance to help extend adequate facilities to flower growers.

International Telecommunication Union

33. Following field missions by the International Telecommunication Union (ITU) in 1994 and 1995, a long-term technical assistance programme for 1996–1997 was formulated, an action plan drawn up and a senior technical expert seconded to the Palestinian Authority, whose mission concluded in September 1997. The ITU Regional Office in Cairo undertook an investigative mission to the West Bank and Gaza Strip in January 1998 in order to propose a programme of technical assistance to the Ministry of Posts and Telecommunication. The programme will include the development of a long-term master plan for telecommunications, the establishment of a telecommunications training centre and the granting of fellowships for technical training.

Office of the United Nations High Commissioner for Human Rights

34. The Office of the United Nations High Commissioner for Human Rights signed a technical cooperation programme agreement with the Palestinian Authority in 1996 to provide for the implementation of a comprehensive technical cooperation programme in the field of human rights. The programme covers the period 1997–1998 for a total budget of approximately $1.8 million. At the request of the Palestinian Authority, an addendum was included in the Palestinian Development Plan which will extend the programme to the end of 1999 at an extra cost of $1.1 million.

35. In addition to police training, the Office conducts training-of-trainers courses, trains police commanders in the Gaza Strip and participates in bilateral police training courses. The Office has supplied equipment and documentation to the Ministry of Justice and human rights documentation materials to other Palestinian Authority institutions and non-governmental organizations, and prepared and distributed human rights guidelines to all police officials in the West Bank and Gaza Strip. The Office has also funded two legal drafting fellowships for the legal staff of the Ministry of Justice and fellowships for the Presidential Adviser for Human Rights and the Legal Adviser of the Ministry of Planning and International Cooperation. The Office has also contributed to the funding of the legal research and legislation drafting projects for the Palestinian Independent Commission for Citizens' Rights and the Bir Zeit University Law Centre, as well as the Commission's human rights monitoring project. In addition, the Office has funded the Women's Unit Project of the Palestinian Centre for Human Rights.

36. A major objective of the programme is to assist the Palestinian Authority in establishing a legal framework consistent with international human rights standards. Capacity-building through training, fellowships and funding is being provided as is assistance to non-governmental organizations and the Palestinian Independent Commission for Citizens' Rights. More specific needs include training in human rights for judges, prosecutors and prison personnel; training and fellowships for members of the Human Rights Committee of the Palestinian Legislative Council; training for the police in juvenile justice; strengthening the legal drafting capacity of the Ministry of Justice; support for women's rights and enactment of relevant legislation; formulation of a national plan of action for human rights; and completion of the police training programme in the West Bank. A number of the above activities are ongoing and funded under the current budget and additional activities come within the

approval to extend the current programme, for which funding is being sought.

United Nations Conference on Trade and Development

37. In 1995, following its endorsement of the UNCTAD Programme of Technical Cooperation Activities in Support of Palestinian Trade, Finance and Related Services, the Palestinian Authority requested UNCTAD to extend technical assistance in specific priority areas, targeting the Palestinian private sector and institutional development. UNCTAD has since fielded over 12 advisory missions and prepared summary project proposals which have been submitted for inclusion in the Palestinian Development Plan, 1998–2000.

38. The first phase of a project for an industrial estate in Nablus is currently under implementation. It is being financed by the UNDP Programme of Assistance to the Palestinian People, in close consultation with the Ministry of Industry. The project focuses on policy and regulatory options, as well as on creating the infrastructural, institutional and managerial capacities needed for the establishment and operation of the estate. A project to promote trade cooperation between the Palestinian Authority, Egypt and Jordan is due to commence in mid-1998, as is the initiation phase of a project for two private-sector-driven Palestinian trade points, to be followed by development of related institutional and operational guidelines and a detailed training programme.

39. Following UNCTAD advisory missions to strengthen the capacity of the domestic insurance sector, a set of legal, institutional, managerial and procedural measures for follow-up has been outlined. As a direct follow-up to UNCTAD/UNDP workshops in 1997 on the emerging international trading system and its implications for the Palestinian economy, the TRAINFORTRADE programme at UNCTAD was requested to provide technical assistance in human resources development for trade. The project includes the preparation of training materials and organizing TRAINFORTRADE workshops and advisory services to strengthen local training capacities. National training workshops on commercial diplomacy are being organized in 1998 by the Palestinian Authority, with support from UNCTAD, the United Nations Institute for Training and Research (UNITAR) and UNDP. UNCTAD has also outlined a number of measures for international procurement and the trading of strategic food commodities, including a seminar on commodity trading and commodity supply management. In addition, UNCTAD is studying two new requests from the Palestinian Authority for technical assistance in the areas of debt management and financial analysis and support to small and medium-sized enterprise development.

40. Parallel with operational activities, the UNCTAD secretariat has continued its analytical work on important issues confronting the Palestinian economy. In addition to publishing two such analytical studies, the secretariat has prepared a report on its assistance to the Palestinian people, including an update on recent economic developments and performance. The programme budget for 1998–1999 focuses on rendering technical assistance to the Palestinian people in priority areas within the framework of the UNCTAD Programme of Technical Cooperation Activities, and particular attention will be given to meeting priority requests from the Palestinian Authority in the areas outlined above.

United Nations International Drug Control Programme

41. The United Nations International Drug Control Programme (UNDCP) focuses on a multisectoral approach to coordinate and integrate drug control policies into the broader developmental policies of the West Bank and Gaza Strip. A project entitled "Multisectoral drug control assistance to the Palestinian Authority" was signed in 1996 to provide technical assistance to establish a drug control institutional framework; to reduce the illicit supply of narcotic drugs through improved detection, interdiction and prosecution capacities; and to prevent and reduce drug abuse through improved awareness, treatment and rehabilitation methods. Subsequently, two UNDCP missions visited Gaza to review the progress of the project and accelerate implementation. As a result, the process of procuring equipment for the basic chemical laboratory is proceeding and training for two technicians has been completed. Moves to establish a drug section within the Palestinian Customs Department is also proceeding. In February 1998, a delegation of the Palestinian Anti-narcotics General Administration visited the UNDCP Regional Office in Cairo, which was established in July 1997, and a detailed review of project components and project implementation was undertaken. When completed, the project will set up a new independent Palestinian institution capable of detecting illicit drugs and establishing better control mechanisms in the border areas.

United Nations Development Programme

42. The UNDP Programme of Assistance to the Palestinian People was initiated in 1978 in response to General Assembly resolution 33/147 of 20 December 1978, in which UNDP was requested to improve the economic and social conditions of the Palestinian people by identifying their social and economic needs and by establishing concrete projects to that end. UNDP project expenditures were $33 million in 1997 and have already exceeded $22 million in the first quarter of 1998. UNDP utilizes its core funding resources and its in-house expertise as the initial start-up investment to launch high-priority programme and project activities, which are subsequently developed and sustained largely through bilateral donor contributions. UNDP is therefore both a donor to the Palestinian people through the programming of more than $13 million of core UNDP resources since 1994 and an implementation partner of the Palestinian Authority through the implementation of projects funded through large-scale bilateral donor contributions. Since 1994, donors have contributed more than $180 million to UNDP programme activities in the West Bank and Gaza Strip. All the projects and programmes detailed in the UNDP programme framework for 1998–2000 have been included by the Palestinian Authority in the Palestinian Development Plan, 1998–2000 either as stand-alone projects or as components of larger programmes.

43. During the reporting period, UNDP continued its advocacy role in the promotion of sustainable human development. UNDP sponsored the formulation of a National Poverty Alleviation Action Plan and continued to promote gender awareness by targeting the curriculum of the Palestinian educational system. UNDP supports participatory planning methods and the decentralization of decision-making through its large-scale Local Rural Development Programme, which focuses on improving living conditions and alleviating poverty in rural areas in the West Bank, and through its Community Development Programme, which targets vulnerable groups experiencing economic and social hardship in the Gaza Strip. As the primary capacity-building partner of Palestinian institutions such as the Palestinian Water and Environment Authorities, and through the implementation of several Global Environment Facility projects, UNDP also promotes environmental awareness and the protection of scarce natural resources, particularly water. The UNDP Governance and Public Administration Support Programme seeks to build national capacities in public sector management and administration by targeting assistance to the General Control Institution, the General Personnel Council and the Cabinet Secretariat Office.

44. To promote economic development, UNDP continued its capacity-building support to the key sectors of the Palestinian economy. Through its Agricultural Development Programme, UNDP provided large-scale assistance at both the ministerial and field levels. UNDP also continued its support to the tourism sector by providing capacity-building assistance to the Ministry of Tourism and Antiquities in the areas of policy formulation, sectoral planning, human resources development and tourism awareness and marketing. A number of ongoing projects concentrate on the rehabilitation of archaeological sites to promote the West Bank and Gaza Strip as a tourism destination, encourage employment and increase Palestinian awareness of their cultural heritage. UNDP is also supporting the Bethlehem 2000 project, which will provide a unique opportunity to focus attention on the potential for tourism.

45. The UNDP Infrastructure Rehabilitation Programme focuses on the urgent need for the rehabilitation of existing education and health facilities, public buildings and water and waste-water networks. All such projects are implemented by UNDP through Palestinian private sector contractors, in close partnership with the Palestinian Authority. Much of the infrastructure rehabilitation activities of UNDP utilize labour-intensive methods to help alleviate unemployment in the Gaza Strip and West Bank, constituting part of the UNDP large-scale Employment Generation Programme.

46. UNDP has also expanded its United Nations Volunteers Programme. The National United Nations Volunteers Programme was launched in August 1996 and now accounts for 37 of the 52 United Nations Volunteers currently in the West Bank and Gaza Strip. The Community-based Youth Participation and Development Project, which targets the refugee population, involves capacity-building in nine youth and women's centres in the Gaza Strip, with particular emphasis on female and disabled youth. The United Nations Volunteers' White Helmets Initiative is involved in producing detailed urban development plans for the municipalities of Gaza, Khan Younis and Rafah, working closely with local counterparts to ensure local capacity-building. Another White Helmets Initiative team of sports experts is cooperating with the Ministry of Youth and Sports and local youth centres, concentrating on physical education at the school level and the creation of football and volleyball clubs, as well as coaching the Palestinian football team.

47. UNDP will also continue to assist the Palestinian Authority in the area of development planning and aid coordination. A primary objective is to ensure a commonly recognized overall framework for development planning which can direct both domestic resources and donor assistance to the highest priority needs. Towards this end,

UNDP, in close cooperation with the Office of the United Nations Special Coordinator in the Occupied Territories, has been actively assisting the Palestinian Authority in its efforts to produce the Palestinian Development Plan, 1998–2000, by helping line ministries and institutions to formulate sectoral strategies and priorities and by assisting the Ministry of Planning and International Cooperation to harmonize and unify such plans. In addition, to meet the need for enhanced counterpart capacity-building, UNDP will continue to utilize joint implementation structures in many of its programme activities, whereby the long-term sustainability and accountability of local counterparts and other local implementation partners is combined with the technical, supervisory and managerial expertise of UNDP. This allows for a progressive transfer of technical and managerial implementation responsibilities from UNDP to Palestinian counterpart institutions through support, advice, technical supervision and on-the-job training. Finally, in the area of United Nations coordination, UNDP works closely with the Office of the United Nations Special Coordinator in the Occupied Territories, and plays an active role in the donor coordination mechanisms. Owing to the local circumstances, UNDP also provides full administrative and logistical support to more than 10 United Nations organizations currently operating in the West Bank and Gaza Strip.

United Nations Environment Programme

48. A preparatory assistance project for environmental planning and management support to the Gaza municipality was developed by the joint United Nations Environment Programme (UNEP)/United Nations Centre for Human Settlements (Habitat) (UNCHS) Sustainable Cities Programme. The objective is to prepare a Gaza City environmental profile focusing on priority areas, to draft a long-term programme document and to support start-up activities. As a follow-up, the Mayor of Gaza participated in the second annual meeting of the Sustainable Cities Programme and the Urban Environment Forum, both held in China in October 1997.

United Nations Educational, Scientific and Cultural Organization

49. UNESCO has undertaken a programme of cooperation with the Palestinian people since 1974. In April 1994, a Plan of Action was prepared by the joint UNESCO/Palestinian Coordination Committee which was translated into a Programme of Assistance to the Palestinian People, containing 27 projects. The second phase of the Programme of Assistance to the Palestinian People, entitled "Development for peace", composed of 12 new projects, was agreed in May 1997 and a UNESCO Liaison Office was opened in the West Bank in the same month.

50. The Bethlehem 2000 roving photographic exhibition was inaugurated in June 1997 and an appeal was launched to finance projects contained in the Emergency Action Plan for Bethlehem, prepared by UNESCO and approved by the Palestinian Authority. The Plan comprises approximately 100 projects in the areas of culture, infrastructure, economy and tourism, with a view to restoring and developing Bethlehem and its surroundings. UNESCO, in partnership with the Palestinian Authority, the European Commission, UNDP and the World Bank, organized an international donors conference in Brussels in May 1998 where the Action Plan was presented.

51. In the field of education, a total of 25 scholarships were granted to Palestinian students and a scholarship in educational policy formulation to an official of the Ministry of Education. Two high-level seminars and three courses in educational planning and budgeting were held in Ramallah and Gaza. Under the Palestinian European Academic Cooperation in Education (PEACE) programme, co-sponsored by UNESCO and the European Union, the implementation of projects for higher education was accelerated and six scholarships were renewed. A UNESCO chair in human rights, democracy and peace was established at An-Najah University, Nablus, a physical learning environment project was launched and the model kindergarten project in Gaza can now accommodate 50 children. UNESCO has undertaken to furnish and equip the offices of the Ministry of Higher Education, and the Government of Saudi Arabia has agreed to finance the rehabilitation of a further 20 schools in the West Bank and Gaza Strip. In addition, two multi-purpose community resource centres were set up in Gaza and Nablus, restoration of the mosaics in Hisham's Palace in Jericho commenced and a workshop has been organized to train Palestinians in mosaic restoration.

United Nations Population Fund

52. The United Nations Population Fund (UNFPA) first extended assistance to the Palestinian people in 1986 in cooperation with WHO. UNFPA assistance was provided on a project-by-project basis until 1996, when the first UNFPA Programme of Assistance to the Palestinian People, 1996–1999, was developed for a total of $7.2 million.

53. UNFPA addresses basic needs in three core areas. In reproductive health, the programme aims at developing the capacity of the Women's Health and Development Directorate of the Ministry of Health to better develop, coordinate and monitor the implementation of women's health policies. UNFPA is also assisting the Directorate and the Ministry of Health's Primary Health-care Departments in integrating reproductive health services, including family planning, into primary health-care clinics in the West Bank and Gaza Strip. In addition, support for running a women's centre for health care, social assistance, legal counselling and community education in the Bureij camp and for establishing a similar centre in the Jabalia camp is ongoing. Furthermore, UNFPA is supporting a community-based reproductive health education project in the northern West Bank, to raise awareness of reproductive health issues among men and women and to strengthen the capacity of 30 primarily non-governmental organization-run clinics for the provision of reproductive health services and information.

54. In the area of population and development strategies, UNFPA has provided assistance to the Palestinian Authority in carrying out the first Palestinian Population and Housing Census in December 1997, making reliable data on the composition and characteristics of the Palestinian population available to development planners. In addition, as a follow-up to the census, UNFPA is seeking funds to assist the Palestinian Central Bureau of Statistics in ensuring the proper analysis, dissemination and utilization of the census findings. In the area of advocacy for reproductive health and gender issues, UNFPA is targeting decision makers, religious leaders, youth and the mass media, through assistance to the Health Education and Promotion Department at the Ministry of Health. In addition, population education is being addressed at the Ministry of Education through the provision of technical assistance, training and materials production.

United Nations Children's Fund

55. With the Palestinian Authority assuming greater responsibility for the social sector, the UNICEF Programme of Cooperation in 1997 expanded as a bridging programme. Given the transition from relief to development, service delivery to provide rehabilitation support was coupled with capacity-building for medium-term to long-term development. The overall emphasis of the programme included advocacy and capacity-building for project development and monitoring, utilizing indicators relating to the rights and needs of children and women. The sectoral projects on health and nutrition, basic education and community development were prioritized with specific interventions on primary health care, psycho-social health, early childhood development, primary education, non-formal education and life skills. The UNICEF programme was implemented within the framework of the National Programme of Action for Palestinian Children and Women, 1996–2000, formulated by an inter-ministerial steering committee. Programme objectives incorporated the articles of the Convention on the Rights of the Child and the goals arising from the World Summit for Children. The total budget for 1997 amounted to $3.5 million, of which 72 per cent was supplementary funds and the remainder from UNICEF general resources.

56. Programme implementation in 1997 was satisfactory, despite the problems posed by security restrictions that continued to adversely affect programme delivery. There was difficulty in raising donor support for lower-profile projects and for projects that rely on human resources and staff capacity rather than on infrastructure and supplies. Among the encouraging trends, however, was the Palestinian Authority's increased commitment to programmes for children and women and the promotion of the goals of the National Programme of Action for Palestinian Children and Women, 1996–2000, on the part of the Secretariat for Children. The High Council for Childhood and Motherhood was established and a Child Monitoring Unit at the Palestinian Central Bureau of Statistics was initiated to develop a database and facilitate analysis.

57. The situation of children in the West Bank and Gaza Strip, as indicated by infant and child mortality, nutrition, literacy and education levels, appears relatively satisfactory in comparison with countries of similar per capita incomes. Although the Palestinian Authority cannot ratify international conventions, the Convention on the Rights of the Child and the Convention on the Elimination of Discrimination against Women have been endorsed and feature well in advocacy and programming. Many of the mid-decade goals of the World Summit for Children have been met but progress towards the end-decade goals poses a major challenge. Issues such as children with special needs, maternal and women's health and problems of adolescents and youth need greater attention. There is also the need for disparity reduction in terms of region and gender as well as improving the quality of basic services. Donor support is further needed to enhance and sustain the commitment and the capacity of the Palestinian Authority to promote programmes for children, youth and women and to raise funds for these target groups. In addition, coordinated efforts by United Nations agencies will assist UNICEF in advocacy and capacity-building.

United Nations Industrial Development Organization

58. The United Nations Industrial Development Organization (UNIDO) provides technical assistance in private-sector development for industry, small and medium-sized enterprises, human resources development and technology. In 1997, UNIDO continued to implement a project for the integrated development of the building materials and construction industry in the West Bank and Gaza Strip. A project document for the second stage, the establishment of a Palestinian Construction Resources Centre, has been completed. To support the development of small and medium-sized enterprises, technical experts provided assistance to garment enterprises in the West Bank and Gaza Strip and furnished proposals for additional assistance. Counterpart organizations in Italy have expressed interest in similar activities for the Palestinian leather and footwear and marble and stone industries. To promote the application of renewable energy, the Australian Centre for the Application of Solar Energy has assisted in a report and study and is currently preparing a project document for a broader programme of solar energy development. To address additional needs, a detailed package of services has been identified and presented in the UNIDO Support Programme for Palestinian Industry, 1998–2000, comprising policy advice and monitoring; institutional capacity-building; small and medium-sized enterprises promotion; environmental activities; and investment promotion. Seven of the projects included in the Support Programme have been included in the project list of the Palestinian Development Plan, 1998–2000.

United Nations Development Fund for Women

59. The activities of the United Nations Development Fund for Women (UNIFEM) in the West Bank and Gaza Strip since 1993 aim at strengthening the capacity of governmental and non-governmental organizations to mainstream gender-related issues in national planning and the state-building process. Since 1997, UNIFEM has been providing assistance to the Palestinian people through three projects: a post-Beijing follow-up operation; the women in development facilitation initiative; and the enterprise development project for women in the Gaza Strip.

60. As part of its Beijing follow-up activities, a project was launched in April 1996 covering five countries in the Western Asia region to ensure the implementation of the Platform for Action adopted in Beijing, assisting national committees to prepare national strategies for the advancement of women. UNIFEM national counterparts, the Palestinian Authority Inter-Ministerial Coordinating Committee and the General Union of Palestinian Women, produced a coordinated strategy for Palestinian women. UNIFEM has prepared a proposal for phase II of the project to be carried out by the same partners to enable the committees to carry out and implement the national work plans. The women in development facilitation initiative in the West Bank and Gaza Strip is an information collection and dissemination project involving the Palestinian Authority and international and Palestinian non-governmental organizations and donors, with the ultimate aim of promoting more effective coordination and use of funds. During the pilot phase, the project published two newsletters on women in development issues, conducted workshops and set up a computerized database on women's activities, projects and programmes. The second phase of the project commenced in November 1997 with the addition of two project assistants.

61. Since 1996, UNIFEM has also initiated pilot activities for the economic empowerment of women in the Gaza Strip, in collaboration with the Ministry of Social Affairs. The approach focuses on enterprise development through the creation of entrepreneurial awareness, skills training, institutional capacity-building and the establishment and strengthening of support services for women entrepreneurs. Business awareness and start-your-own-business training courses were conducted during 1997 in addition to a number of follow-up business counselling meetings. The pilot project brought together the resources and expertise of UNDP, the World Food Programme (WFP), ESCWA and others, and revealed outstanding needs in skills training, credit, marketing and business counselling. A second phase of the project was launched in January 1998 to support women's economic empowerment through increasing the number of successful women-owned enterprises. The services include training, business counselling, market research and credit accessibility.

United Nations Institute for Training and Research

62. Since 1995, UNITAR has been engaged in the provision of training and other support programmes to the various agencies of the Palestinian Authority and has conducted 11 workshops for more than 200 participants. During the reporting period, workshops were held in the management of governmental institutions, geographical information systems and project management. Based on participant evaluations and surveys, training programmes have been proposed and designed in management

development; financial management and auditing for middle-level and senior management in the Ministry of Finance and the General Control Institute; and statistics, to strengthen the technical capacity of the Palestinian Statistical Training Centre at the Palestinian Central Bureau of Statistics. UNITAR will appoint a part-time director at the Statistical Training Centre to oversee training programmes for Palestinian Authority officials.

United Nations Relief and Works Agency for Palestine Refugees in the Near East

63. The total number of refugees served by UNRWA in the West Bank and Gaza Strip was 1,308,438, of whom 562,142 were living in 27 refugee camps. The Agency operates or sponsors 387 such facilities and employs 9,026 staff, over 99 per cent of whom are locally recruited Palestinians. The operational character of the Agency's activities differs from that of other United Nations organizations, which for the most part work through the Palestinian Authority or local executing agencies.

64. In the education sector, the Agency's 267 elementary and preparatory schools accommodated 200,886 pupils in the 1997/98 school year, an increase of 12,298 over the previous year. Despite progress in construction and upgrading, lack of funds and sites meant that many schools had to be accommodated in unsatisfactory rented premises, suffered from overcrowding, or were in need of maintenance. To accommodate additional refugee pupils, the Agency continued to rely on contract teachers. Owing to funding shortfalls, UNRWA remained unable to extend the basic education cycle in the West Bank from 9 to 10 years to maintain conformity with the Palestinian Authority education system. The Agency's four vocational and technical training centres provided a variety of programmes for 2,030 trainees. In addition to regular in-service staff training programmes, the Educational Sciences Faculty (ESF) at the Ramallah training centres offered pre-service teacher training leading to a first university degree for 600 trainees. Compensatory ESF classes for Gaza students unable to obtain permits to attend upper-level courses at the Ramallah training centres were concluded in August 1997, after all students had graduated from the programme. Scholarships were awarded to 398 Palestine refugee students for study at universities in the region. The Agency's 1998 education budget for the West Bank and Gaza Strip was $78.9 million, although estimated annual expenditure was only $72.9 million, owing to austerity and other cost- reduction measures.

65. In the health sector, UNRWA operated 51 health facilities which provided comprehensive primary health care and handled 3.8 million patient visits in 1997. Rehabilitation services were provided through 12 physiotherapy clinics. Secondary care was made available to refugee patients through a combination of contractual agreements with non-governmental and private hospitals and partial reimbursement of treatment costs, and directly at the Agency's 43-bed Qalqilia hospital in the West Bank. The Agency implemented an earlier decision to adjust the co-payment rate at Qalqilia hospital to bring it into line with the rate applied at contracted hospitals, in order to maintain essential in-patient services in the face of rising hospitalization costs. In addition to several projects to extend or improve internal sewerage schemes in camps, environmental health services included sewage disposal, management of storm-water runoff, provision of safe drinking water, collection and disposal of refuse and control of insect and rodent infestation. Work continued on the 232-bed European Gaza Hospital which, upon completion, will be handed over to the Palestinian Authority. An affiliated Gaza College of Nursing and Allied Health Sciences will help to provide qualified staff for the hospital. In October 1997, the Palestinian Authority, the European Community and UNRWA signed a memorandum of understanding establishing a hospital project board and agreeing that an international management team would carry out the pre-commissioning and commissioning of the hospital. The Agency's 1998 health budget for the West Bank and Gaza Strip was $27.4 million, although estimated annual expenditure was only $22.8 million, owing to austerity and other cost-reduction measures.

66. In the relief and social services sector, the Agency's special hardship programme provided direct material and financial assistance to 94,990 eligible refugees, an increase of 5,710 over the previous year. The high proportion of cases in Gaza was indicative of poor socio-economic conditions there. UNRWA sponsored 24 women's programmes, 16 community rehabilitation and 25 youth activity centres, plus a rehabilitation centre for the visually impaired in Gaza. The Agency's 1998 relief and social services budget in the West Bank and Gaza Strip was $13.5 million, although estimated annual expenditure was only $9.3 million, again owing to austerity and other cost-reduction measures.

67. UNRWA continued its implementation of the Peace Implementation Programme, an initiative launched in 1993 to help make the results of the Middle East peace process felt at the local level. Through the Programme, the Agency seeks to improve infrastructure, create employment and enhance socio-economic conditions within the Palestine refugee community in the Agency's five fields of operation, but there

was a marked decline in pledges and contributions as compared with previous years. UNRWA also continued to operate an income-generation programme to create job opportunities and alleviate poverty by making credit available to small businesses and micro-enterprises through revolving loan funds established with project contributions. Established in 1991 in response to deteriorating socio-economic conditions and rising unemployment, the programme had by 31 December 1997 provided a total of $20.3 million in loans at commercial interest rates to 10,229 enterprises, while achieving repayment rates approaching 100 per cent. A sister programme to the successful micro-enterprise credit programme in Gaza was launched in the West Bank in March 1998.

68. The Agency's work in the West Bank and Gaza Strip continued to be affected by the continuing financial crisis facing UNRWA since 1993, as a result of repeated shortfalls in funding for the regular budget combined with increasing refugee needs. These shortfalls necessitated the introduction of a series of austerity measures to bring expenditure in line with income and reduce deficit amounts. The Agency was consequently unable to expand services at a rate commensurate with growth in the registered refugee population, and experienced a deterioration in the quality of services as a result of overburdening staff and facilities. In August 1997, the Agency was obliged to introduce an additional round of austerity measures which represented a direct reduction in services. Following receipt of additional pledges, the Agency was able to cancel implementation of some of those measures. However, other measures had to be retained and extended throughout 1998, owing to the continued financial crisis facing the Agency. In addition, constraints on Agency field and headquarters operations arising from security-related measures imposed by the Israeli authorities remained a matter of concern.

Office of the United Nations Special Coordinator in the Occupied Territories

69. In addition to its support, outlined above, to the work of local and international mechanisms, the Office of the United Nations Special Coordinator in the Occupied Territories continued to coordinate bilateral and multilateral training programmes for the Palestinian Police Force. The main objective has been to help transform international training efforts into a longer-term framework to enable the police force to undertake its own specialized training. A joint formulation team produced a final report concerning the establishment of a police academy in Jericho. Thirty-seven specialized training courses took place in the West Bank and Gaza for some 900 policemen, designed to meet needs identified by the Palestinian Police Force and expressed to the international community through the sector working group on the police, for which the Office serves as secretariat. The Office also provides support services to donors in this area, including the facilitation and briefing of visiting missions and trainers, as well as assisting in the monitoring, follow-up and evaluation of courses.

70. The Economic and Social Monitoring Unit continued to publish periodic reports on economic and social conditions in the West Bank and Gaza Strip, in addition to a special report on the Palestinian private sector. The Office's legal adviser coordinated development in the rule of law sector through the preparation of appropriate documents, including a survey on assistance to the sector, which was published in July 1997. The Office is currently updating its database on non-governmental organizations in preparation for a second updated edition of the Directory of non-governmental organizations in the Gaza Strip. Work is also under way on a Directory of non-governmental organizations in the West Bank, also to be published in 1998. There are also plans to bring out a second revised edition of the Directory of non-governmental organizations in donor countries: assistance to the Palestinians in the West Bank and the Gaza Strip, which provides comprehensive profiles of approximately 180 international organizations and the sectors in which they are involved in the West Bank and the Gaza Strip.

World Food Programme

71. Beginning in 1994, WFP has concentrated its activities in the Gaza Strip, with poverty alleviation and social relief interventions aimed at the most severe hardship cases, mainly from the non-refugee population. The WFP budget for the reporting period is estimated at $4 million.

72. In line with the WFP mission statement to address the urgent food security needs of poor households, in-kind assistance was provided to 12,000 ultra-poor households in the Gaza Strip, registered as social hardship cases with the Ministry of Social Affairs. Because of spiralling inflation and the rising cost of basic commodities, such food rations constitute a valuable income transfer to beneficiaries and an essential complement to the cash stipend received under the Ministry of Social Affairs social safety-net scheme. In addition, WFP provided emergency food assistance to 2,000 poor families in the West Bank, in response to a special request from the Ministry to assist rural families severely

affected by repeated border closures and prolonged unemployment. Over 65 per cent of the households supported by WFP are headed by women. In addition, 50 women from low-income households participate in a food-for-work scheme as volunteers assisting project staff in the distribution of food commodities.

73. About 10 per cent of allocated project resources have been earmarked to support local non-governmental organizations active in the health and social sectors and 10 non-governmental organizations in Gaza have received such assistance during the past year. Special food-for-work schemes have enabled such organizations to hire and retain needed staff and volunteers and to improve their community outreach services. WFP has also implemented a pilot agricultural project targeting 500 small farmers in the southern Gaza Strip, whereby food commodities have been distributed to beneficiaries against a cash payment representing less than 30 per cent of the local market value of the donated commodities. Such food aid has improved the household food security of the target group and the funds generated are utilized for the purchase of agricultural inputs and for community development. In addition to in-kind assistance, the WFP direct cash contribution to the project has been used to support capacity-building of the Ministry of Social Affairs and to upgrade and repair existing storage facilities in Gaza.

74. Implementation of project activities proceeded satisfactorily and met defined objectives in terms of beneficiary targeting and outreach services. The Programme's internal evaluation of its assistance to the non-governmental organization sector has led to a redirection of programmes towards development-oriented activities. The assessment of the agriculture pilot scheme recommended the extension of WFP support for agriculture activities for another year and the inclusion of a new group of farmers.

75. WFP assistance for 1998–1999 consists of a two-year project at an estimated cost of $7 million, which was approved by the WFP Executive Board in October 1997. The new project will support the social safety-net programme of the Ministry of Social Affairs. Approximately 15,000 ultra-poor households in the Gaza Strip and 7,000 in the West Bank will benefit from WFP food aid. Assistance to non-governmental organizations will be strengthened and will focus on food-for-work schemes and gender-related activities. WFP will also support 1,000 small-scale farmers in the southern Gaza Strip and the Jordan valley.

World Health Organization

76. In the year under review, WHO provided technical and material assistance to the Palestinian Authority and to other institutions involved in the health sector. Particular attention was paid to basic health needs and to local health development issues arising from the deteriorating economic situation in the West Bank and Gaza Strip. In particular, attention was devoted to the development and identification of public health programmes and to enhanced coordination with other organizations involved in the health sector.

77. At the request of the Ministry of Health, WHO set up a task force for the development of indicators for the Palestinian health system and provided assistance to UNFPA for two reproductive health programmes. On the basis of earlier WHO work, WHO and UNDP assisted the Ministry of Agriculture and the Ministry of Health in developing an eight-year plan to control brucellosis in both the human and animal populations. A situational analysis of the pharmaceutical sector was carried out by staff of the Ministry of Health under the supervision and assistance of WHO, and a list of essential drugs which closely adheres to the WHO model list has been drafted. The Palestinian Essential Drug Programme has continued the activities started earlier in 1996.

78. Two consultants carried out a training course to demonstrate simple and inexpensive techniques for the treatment of caries and donated relevant equipment. As part of the same initiative, an assessment was carried out on the feasibility of carrying out an oral health programme and a fellowship was granted to a staff member of the Ministry of Health to develop plans for the improvement of oral health. A consultant has been seconded to the Department of Community Health at Bir Zeit University to assist in developing the curriculum for a diploma course in primary health care. Key staff from the Ministry of Health and the Palestinian Red Crescent Society attended training courses to advance local planning and managerial capacity to cope with emergencies. WHO also supported a project to develop the Central Public Health Laboratory by identifying essential activities, such as the training of environmental health inspectors and of laboratory staff. Equipment was provided to the Public Health Laboratory in Gaza.

79. In collaboration with the Ministry of Health and the World Bank, a study on the medium-term development strategy and public financing priorities for the health sector was completed. Several recommendations have been adopted in the process of preparing the five-year National Health Plan. The International Initiative against Avoidable Disablement (IMPACT) programme, a joint WHO/ UNDP/UNICEF global undertaking, examined strategies with the Ministry of Health and other concerned parties for launching disability

prevention activities. In addition, the Ministry of Health and other health institutions were provided with WHO publications, office and surgical equipment and audio-visual training materials.

80. The development of the Palestinian health system is taking place in a complex socio-political situation where the present economic realities disappoint Palestinian expectations and demands. Reinforcing and developing the most basic cost-effective programmes and services is a priority need if an efficient health system is to emerge. Among the most urgent needs are rehabilitation of the extended programme of immunization (EPI) cold chain; rehabilitation and upgrading of primary health-care services; premises upgrading; improving working arrangements and referral practices; standardization of clinical practices and more decentralized financial arrangements; development and adoption of a national drug policy; and prevention of chronic diseases such as diabetes and hypertension, together with anti-smoking and accident prevention campaigns. WHO is actively working with the Ministry of Health and the donor community in developing programmes and activities for addressing the above needs.

Annex

United Nations entities active in the occupied territories

Department of Economic and Social Affairs of the United Nations Secretariat

Economic and Social Commission for Western Asia

Food and Agriculture Organization of the United Nations

International Atomic Energy Agency

International Civil Aviation Organization

International Fund for Agricultural Development

International Labour Organization

International Maritime Organization

International Telecommunication Union

International Trade Centre

United Nations Centre for Human Settlements (Habitat)

United Nations Children's Fund

United Nations Conference on Trade and Development

United Nations Development Fund for Women

United Nations Development Programme

United Nations Educational, Scientific and Cultural Organization

United Nations Environment Programme

Office of the United Nations High Commissioner for Human Rights

United Nations Industrial Development Organization

United Nations Institute for Training and Research

United Nations International Drug Control Programme

United Nations Population Fund

United Nations Relief and Works Agency for Palestine Refugees in the Near East

Office of the United Nations Special Coordinator in the Occupied Territories

United Nations Volunteers

Universal Postal Union

World Food Programme

World Health Organization